



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

September 7, 1984

TO: Board of Oil, Gas and Mining
FROM: Pamela Grubaugh-Littig, Reclamation Engineer *pgl*
RE: Board Consideration of Approval of Plateau Resources
Mined Land Reclamation Contract *ACL 10/17/06*

The Mined Land Reclamation Contract between Plateau Resources (Shootaring Canyon Processing Facility) and the Board of Oil, Gas and Mining (dated July 27, 1979) calls for a review of the surety every five years concurrently with the renewal of Plateau's Source Material License with the U. S. Nuclear Regulatory Commission (NRC). Plateau is now in the process of renewing its license.

Attached is a draft of the Mined Lands Reclamation Contract to replace the contract of July 27, 1979. This draft essentially continues the existing arrangement that is, that Plateau Resources will give a corporate guarantee to reclaim and provide evidence of its financial capacity to do this by providing the State with copies of the surety arrangements provided to the NRC.

The surety amount proposed is \$1,476,000.00.

btb
Attachment
90750-31

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

* MINED LANDS RECLAMATION CONTRACT *

THIS CONTRACT, made and entered into this ____ day of August, 1984, between Plateau Resources Limited, a Utah corporation ("Plateau"), and the Board of Oil, Gas and Mining, duly authorized and existing by virtue of the laws of the State of Utah (the "Board").

WITNESSETH:

WHEREAS, Plateau is the owner and is in possession of certain lands in Garfield County, Utah, more particularly described in Exhibit "A" attached hereto;

WHEREAS, Plateau did on the 25th day of January, 1979, file with the Division of Oil, Gas, and Mining, a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan" to secure authorization to engage, or continue to engage, in uranium processing operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act, Section 40-8, UCA, 1953;

WHEREAS, Plateau did, on July 27, 1979, duly execute with the Board a "Mined Lands Reclamation Contract," whereby Plateau promised and agreed to reclaim certain affected lands in accordance with an approved mining and reclamation plan, the Mined Land Reclamation Act (the "Act") and all applicable rules

and regulations, and Plateau further agreed to provide a certain corporate guarantee in lieu of a bond;

WHEREAS, Plateau is able and willing to reclaim the above mentioned "lands affected" in accordance with the approved mining and reclamation plan, the Act and the rules and regulations adopted in accordance therewith;

WHEREAS, the uranium processing operations conducted by Plateau upon the lands described above are covered by United States Nuclear Regulatory Commission* (the "NRC") License No. SUA-1371, which license and applicable laws and regulations require that Plateau decommission its facility and reclaim such lands on the completion of operations and require Plateau to provide surety in form and amount acceptable to the NRC to ensure that funds will be available for decommissioning and reclamation, the form and amount of which surety is regularly reviewed by the NRC;

WHEREAS, the surety provided to the NRC is now in the form of an irrevocable letter of credit in the amount of \$1,759,000, issued by the National Bank of Detroit, expiring April 13, 1985, a copy of which is attached hereto as Exhibit B;

WHEREAS, Plateau is able to demonstrate sufficient solvency by having the ability to provide the irrevocable letter of credit to the NRC;

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the land affected.

WHEREAS, the Board is cognizant of the nature, extent, duration of operations, the financial status of Plateau, and its capabilities of carrying out the reclamation activities;

NOW, THEREFORE, for and in consideration of the foregoing and the covenants and agreements set forth below, the parties hereto agree as follows:

1. Plateau promises to reclaim the land affected in accordance with the approved Mining and Reclamation Plan, the Act, and the Rules and Regulations adopted in accordance therewith.
2. Plateau promises to decommission its uranium processing facility and reclaim such lands in accordance with a NRC-approved decommissioning and reclamation plan.
3. The Board, in lieu of the posting a bond or other surety, accepts the personal guarantee of Plateau to reclaim the land affected.
4. The Board and Plateau both agree that Plateau will not be obligated to expend a sum in excess of that required to complete the reclamation work outlined in the Mining and Reclamation Plan which was designed for the mining operation as submitted to the Division on the 25th day of January, 1979, and its subsequent amendments dated April 6, 1979, April 30, 1979, and July 12, 1979, and which has been estimated to cost \$1,476,000.
5. Plateau agrees that until the lands affected are reclaimed in accordance with an approved mining and reclamation plan, Plateau will not, unless the Board shall otherwise consent, merge or consolidate with any other corporation or entity except Consumers Power Company, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets or businesses to any other person, firm, or corporation.
6. Plateau agrees that the surety arrangement provided herein will be reviewed and renewed by the Board every five years in conjunction with the renewal of Plateau's source material license by the NRC and Plateau agrees to provide the Board with copies of all letters of credit and other forms of surety provided to the NRC.

7. This contract supersedes and replaces the Mined Lands Reclamation Contract dated July 27, 1979.

IN WITNESS WHEREOF, the parties have caused this contract to be executed as of the date first above written.

PLATEAU RESOURCES LIMITED

By _____
Blake O. Fisher
Vice President

BOARD OF OIL, GAS AND MINING

By _____
Vice Chairman

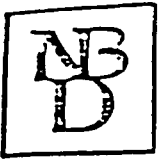
STATE OF _____)
COUNTY OF _____) : ss.

On the _____ day of July, 1984, personally appeared before me Blake O. Fisher who being by me duly sworn did say that he is the Vice President of Plateau Resources Limited, and that said instrument was signed in behalf of said corporation by authority of its by-laws and said Blake O. Fisher acknowledged to me that said corporation executed the same.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

(2341s)



National Bank of Detroit

INTERNATIONAL DIVISION-LETTER OF CREDIT DEPARTMENT

P.O. BOX 116A

DETROIT, MICHIGAN 48232

CABLES-NATIONBANK DET

TELEX #230164

orig. signed cc
sent to USNRC
10-3-83 sf.

OCT 3 1983

September 23, 1983

Beneficiary:

United States Nuclear Regulatory Commission
c/o Mr. R. Dale Smith
Uranium Recovery Field Office
P.O. Box 25325
Denver, Colorado 80225

Reference License 

Gentlemen:

We hereby amend our irrevocable Letter of Credit No. 45340, dated April 13, 1982, issued in your favor for account of Plateau Resources, Limited as follows:

THE AMOUNT OF THIS CREDIT IS NOW REDUCED TO A TOTAL AVAILABLE AMOUNT OF \$1,759,000.00 (ONE MILLION SEVEN HUNDRED FIFTY NINE THOUSAND U.S. DOLLARS), AND

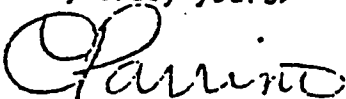
THE EXPIRATION DATE OF THIS CREDIT IS EXTENDED TO APRIL 13, 1985.

All other terms and conditions of this Credit remain unchanged.

This amendment letter must be attached to our original Credit #45340 already in your possession.

Kindly confirm your agreement to and acceptance of this amendment by signing and returning the attached copy hereof.

Very truly yours,

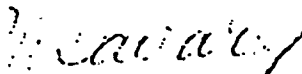


Authorized Signatory

APPROVED BY:



PLATEAU RESOURCES LIMITED



Authorized Signatory

Approved by:

Authorized Signatory
U.S. Nuclear Regulatory Commission